



## United States Senate Budget Committee

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### The Honest Budget Act

*No more gimmicks, tricks, or empty promises. America deserves an honest budget.*

Congress often boasts of budgetary savings in large, omnibus spending bills, only to have the public discover after the fact that the spending cuts were little more than gimmicks. This budget chicanery at taxpayer expense must stop.

In an era when appropriation bills and budget resolutions rarely receive the public scrutiny they deserve before Congress votes, it is imperative that Congress abandon its practice of wrapping phantom cuts in budget gimmicks and instead produce genuine savings as advertised.

The Honest Budget Act (HBA) would eliminate many of these gimmicks and restore truth and honesty to the budget process. Specifically, the Act would:

- Make it harder to move appropriation bills unless a budget resolution is already in place;
- Tighten the process for adding the “emergency” designation to spending measures, an often-abused method for avoiding the fiscal restraints imposed by the budget resolution;
- Improve current law by measuring the cost of loan and loan guarantees programs using a market default risk rate that reflects the loans’ fair value;
- Adopt a rule that would prevent scoring rescissions of budget authority as savings unless they produce actual cash savings in the budget window;
- Prevent changes in mandatory spending programs from being used as budgetary savings in discretionary (non-mandatory) spending bills;
- Establish a new scoring rule that would prohibit the use of timing shifts for the purposes of producing phony budget savings;
- Make President Obama’s two-year federal pay freeze real by eliminating automatic within-grade step increases through the end of 2012;
- Require transfers from the General Fund to bail out the Highway Trust Fund to be scored as new spending. Since 2008, turning a blind eye has led to \$35 billion in transfers that were scored as “budget neutral.”
- Prevent abuse of advance appropriations by reinstating the budget point of order limiting Congress’ ability to defer increased spending to future years in order to make room for more immediate needs in the current year (and then argue later that the spending limits in subsequent years should be raised to accommodate the deferred spending).